

U.S. Small Business Administration



News Release

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Kern Schools Federal Credit Union Steps Up to Help Small Businesses in Kern County

Kern County – The U. S. Small Business Administration (SBA) has approved Kern Schools Federal Credit Union to make government backed SBA business loans. In granting this approval, Kern Schools Federal Credit Union has become only one of the few credit unions throughout the area to participate in SBA's lending programs.

Traditionally, bank lending financial institutions and some non-bank commercial lending organizations have been the primary lending partners in SBA's 7(a) Loan Guaranty Programs. Recent regulatory changes by the National Credit Union Administration has encouraged credit unions to become active in commercial lending including participating as partners in SBA loan programs. Kern Schools Federal Credit Union applied to the SBA and was approved to become a participant in SBA's lending programs.

Fresno District Director Carlos G. Mendoza said, 'Cash flow is the life blood of all small businesses and a company's ability to obtain business loans is paramount to the success in overcoming the credit crisis facing the nation. With Kern Schools Federal Credit Union's decision to be able to respond to the business needs of its members by offering business loans, Kern Schools has made a bold and visionary statement to our community that it wants to help. This approval comes at a time when small businesses and entrepreneurs are facing challenges in obtaining business loans. This approval will help the Kern County community.'

A major concern today for small business owners is access to capital and credit. As a SBA resource lending partner, Kern Schools Federal Credit Union will be participating in SBA's 7(a) Loan Guaranty Program that provides several different financing options to small businesses. Loans made under the SBA 7(a) program include longer loan terms and lower interest rates than conventional loans along with broad eligibility and credit criteria to accommodate a wide range of financing needs. Small businesses may use SBA loan proceeds to expand or remodel a business, purchase machinery and equipment, working capital, finance seasonal lines of credit, construct commercial buildings and/or purchase land or buildings.

Vincent Rojas, Jr. President/CEO of Kern Schools Federal Credit Union said, "For well over 60 years, Kern Schools Federal Credit Union has been the financial provider of choice for its growing membership. Indeed, our mission statement, *"The Credit Union shall build a lifetime financial partnership with members through exceptional service and quality financial products"* has been the driving force to continually look to see if we're meeting the needs of our members. Becoming an SBA Participating Lender is a direct result of listening to our business members and we know that SBA financing will be good for the small business owner and the communities we serve."

Mendoza said, "SBA business loan programs are a win-win situation for the participating lender, the small business concern and the local community. SBA loans reduce the risk that lenders take on financing loans by guaranteeing major portions of the loan amount which in turn allows the business to borrow capital. SBA loans enable lenders to provide financing to small businesses when funding may otherwise be unavailable on reasonable terms."

The presentation of the award will be held at the Kern Schools Federal Credit Union office located at 9500 Ming Avenue, Bakersfield at 4:30 pm on November 24, 2008. For additional information please contact Melende Ward, Fresno SBA Office (559) 487-5791.

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